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10 Attorneys for Plaintiff
11 UNITED STATES OF AMERICA

12 UNITED STATES DISTRICT COURT

13 FOR THE CENTRAL DISTRICT OF CALIFORNIA

14 UNITED STATES OF AMERICA,

15 Plaintiff,

16 v.

17 SHENGSHENG HE,
"Adam,"

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19 Defendant.
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No. CR 2:25-00175-RGK

GOVERNMENT'S SENTENCING POSITION
REGARDING DEFENDANT SHENGSHENG HE

24 Plaintiff United States of America, by and through its counsel
25 of record, the Acting United States Attorney for the Central District
26 of California and Assistant United States Attorneys Maxwell Coll,
27 Nisha Chandran, and Alexander Gorin, hereby files its sentencing
28 position for defendant SHENGSHENG HE.

1 This sentencing position is based upon the attached memorandum
2 of points and authorities, the declaration of Assistant United States
3 Attorney Maxwell Coll, the declaration of Special Agent George Jasek,
4 the files and records in this case, the United States Probation and
5 Pretrial Services Office's presentence investigation report, and such
6 further evidence and argument as the Court may permit.

7 Dated: August 25, 2025

Respectfully submitted,

8 BILAL A. ESSAYLI
Acting United States Attorney

9 DAVID T. RYAN
10 Assistant United States Attorney
11 Chief, National Security Division

12 /s/ Maxwell Coll
13 MAXWELL COLL
14 NISHA CHANDRAN
Assistant United States Attorney

15 STEFANIE SCHWARTZ
16 TAMARA LIVSHIZ
17 Trial Attorneys
Criminal Division, Computer Crime
and Intellectual Property Section

18 Attorneys for Plaintiff
19 UNITED STATES OF AMERICA
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MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

This case arises out of an international scheme to launder millions of dollars stolen from U.S. victims of cryptocurrency investment scams (also known as “pig butchering” scams). The government has charged by indictment six defendants involved in the money-laundering network, five of whom have pleaded guilty and one of whom remains a fugitive.¹ The government has also charged by information three other individuals involved in the scheme, all of whom have also pleaded guilty, including this defendant.² Defendant SHENGSHENG HE is the third defendant to be sentenced of the nine individuals charged. Defendant SHENGSHENG HE is the first defendant to be sentenced who was directly involved in the receipt of victim funds and the conversion of victim funds to the cryptocurrency Tether.

On April 7, 2025, defendant pleaded guilty pursuant to a plea agreement to one count of criminal conspiracy to operate an unlicensed money transmitting business, in violation of 18 U.S.C. § 371. (Dkts. 35, 52.) In the plea agreement, defendant SHENGSHENG HE agreed to a base offense level of 8; that defendant SHENGSHENG HE laundered funds more than \$25,000,000, such that a +22 specific offense characteristic must be applied; and that defendant was in the business of laundering funds, such that another +4 enhancement must be applied. (Dkt. 35 at 8.)

¹ All of the indicted defendants are in cases pending before this Court. See United States v. Lu Zhang, Joseph Wong, Justin Walker, and Hailong Zhu, 2:23-00596-RGK-3; United States v. Daren Li and Yicheng Zhang, 2:24-393-RGK.

² See United States v. Shengsheng He, 2:25-CR-00175-RGK; United States v. Jose Somarriba, 2:25-CR-00181-RGK; and United States v. Jingliang Su, 2:25-CR-00362-RGK.

1 The United States Probation and Presentence Office ("USPPO")
2 issued its Presentence Report ("PSR") on July 23, 2025. (Dkt. 53.)
3 The PSR calculated a total offense level of 29, which included a base
4 offense level of 8 plus a 22-level increase because the loss
5 attributable to defendant was greater than \$25,000,000 (PSR ¶¶ 73,
6 74); a four-level increase because defendant was in the business of
7 laundering funds (PSR ¶ 76); a three-level reduction for defendant's
8 acceptance of responsibility (PSR ¶¶ 87-88); and a two-level
9 reduction for zero-point-offender status (PSR ¶ 90.) Based on a
10 total offense level of 29, and a Criminal History Category of I, the
11 PSR calculated an advisory Guideline range of 87 to 108 months'
12 incarceration. (PSR ¶ 132.) The PSR notes that the statutory
13 maximum term of imprisonment is five years. (PSR ¶ 131.)

14 The government agrees with the PSR's criminal history
15 calculation and the offense-level calculation. However, the
16 government believes that a further five-level reduction is
17 appropriate for the reasons stated in its contemporaneously filed
18 motion. In light of this, the total offense level calculation
19 decreases to 24 and the resulting advisory Guidelines range is 51 to
20 63 months. Thus, the government respectfully requests that the Court
21 sentence defendant to: (1) a Guidelines term of 51 months'
22 imprisonment; (2) three years of supervised release; (3) restitution
23 in the amount of \$26,867,242.44; and (4) a mandatory special
24 assessment of \$100.

25 **II. OVERVIEW OF STRUCTURE OF SCAM AND MONEY LAUNDERING NETWORK**

26 As described in Count One of the Information, the conspiracy
27 involved an international network of co-conspirators who scammed U.S.
28

1 victims and laundered victim money through U.S. shell companies,
2 international bank accounts, and cryptocurrency wallets.

3 **International Scammers:** First, unknown co-conspirators largely
4 residing overseas (not defendant SHENGSHENG HE nor any of the charged
5 co-conspirators in the related cases) contacted U.S. victims directly
6 through unsolicited social-media interactions, telephone calls and
7 messages, and online dating services. These co-conspirators gained
8 the trust of victims by establishing either professional, friendly,
9 or romantic relationships with them. After gaining the victims'
10 trust, the co-conspirators promoted fraudulent cryptocurrency
11 investments to the victims. Co-conspirators established spoofed
12 domains and websites that often resembled legitimate cryptocurrency
13 trading platforms. In some executions of the scheme, co-conspirators
14 fraudulently induced victims into investing in cryptocurrency through
15 these fraudulent and spoofed investment platforms. In other
16 executions of the scheme, co-conspirators fraudulently induced
17 victims into investing in cryptocurrency by sending funds via wire
18 transfers to U.S.-based bank accounts. Co-conspirators fraudulently
19 represented to victims that their investments were appreciating when,
20 in fact, those funds were stolen.

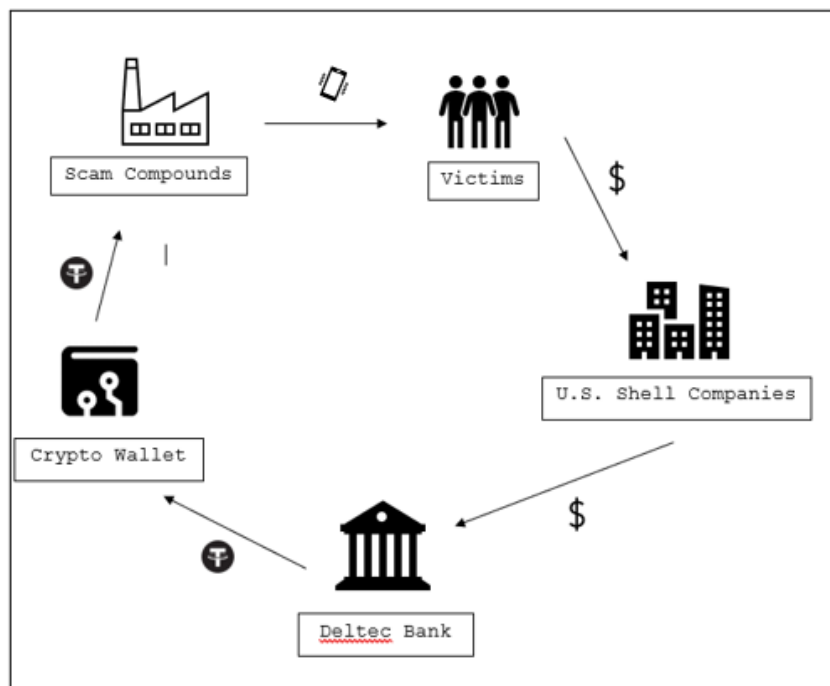
21 **Domestic Laundering Networks:** Second, a group of domestic money
22 launderers received victim funds in U.S.-based bank accounts
23 established on behalf of U.S. shell companies and caused the further
24 transfer of victim funds to domestic and international bank accounts.
25 Defendants in the related case, United States v. Lu Zhang, et al.,
26 23-CR-596-RGK, fit within this category of co-conspirators. These
27 defendants, among other co-conspirators, worked together to register
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1 shell companies with the California Secretary of State and/or open
2 bank accounts in the names of those shell companies with U.S.
3 financial institutions, including Bank of America ("BoA") and
4 JPMorgan Chase ("JPMC"). The shell company accounts received bank
5 wires from victims of the scheme throughout the United States. These
6 individuals discussed when and how to receive and execute interstate
7 and international wire transfers of victim funds, arranged for the
8 transfer of the fraudulently obtained proceeds via interstate and
9 international wire transfers, and caused wire transfers to be sent
10 through various intermediary bank accounts before reaching their
11 final beneficiary. These defendants and other money movers traveled
12 to financial institutions within the Central District of California
13 to access funds in the bank accounts used to launder fraud proceeds,
14 called the banks to inquire about the status of the funds, and
15 closely monitored the bank accounts, insuring victim funds continued
16 to flow into and out of the accounts.

17 **Bahamian Cryptocurrency Converters:** Third, virtually all of the
18 victim funds flowed from U.S. bank accounts to two bank accounts at
19 the Bahamian financial institution Deltec Bank & Trust ("Deltec
20 Bank"), referred to in related court documents as Bahamas Account #1
21 and Bahamas Account #2. Defendant SHENGSHENG HE and defendants Jose
22 Somarriba and Jingliang Su in the related cases have been charged
23 with setting up the Bahamian entity Axis Digital Limited and the
24 affiliated bank account Bahamas Account #1. Once these defendants
25 received the victim funds from transfers the money movers initiated,
26 the Bahamian cryptocurrency converters would cause the funds to be
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converted from U.S. dollars to the cryptocurrency Tether, or USDT.³ After the funds were converted to USDT, defendant SHENGSHENG HE and the Bahamian cryptocurrency converters would cause Deltec Bank to transfer the USDT to a cryptocurrency wallet controlled by individuals overseas.

Final Distribution of Victim Funds: Fourth, after co-conspirators laundered the victim funds from U.S.-based bank accounts to the Bahamian bank accounts and converted the funds to USDT, a network of foreign-based individuals would receive the cryptocurrency in a virtual currency wallet. After receiving the funds in the virtual currency wallet, these co-conspirators would distribute the USDT to foreign criminals running the scam centers overseas, including in the Kingdom of Cambodia. The figure below shows the overall flow of funds in the charged scheme:



³ Tether, or "USDT," is a type of cryptocurrency known as a stablecoin pegged to the U.S. dollar. Thus, one USDT always equals one U.S. dollar.

1 **III. DEFENDANT PARTICIPATED IN THE CONVERSION OF VICTIM FUNDS**
2 **TO TETHER AND THE DISSIPATION OF VICTIM PROCEEDS TO CAMBODIA**

3 As stated in the plea agreement (Dkt. 35 at 19-24): Beginning
4 from at least November 2021, and continuing through at least July
5 2023, in Los Angeles County, within the Central District of
6 California, and elsewhere, defendant knowingly conspired with Co-
7 Conspirator 1 (Jose Somarriba), Co-Conspirator 2 (Jingliang Su), Co-
8 Conspirator 3 (Daren Li), and others, to operate an unlicensed money
9 transmitting business. Defendant participated in and knew of the
10 agreement to operate an unlicensed money transmitting business and
11 intended to help accomplish the objects of the conspiracy. The
12 unlicensed money transmitting business received millions of dollars
13 in victim funds from U.S. persons targeted in cryptocurrency
14 investment scams, also known as "pig butchering scams," and other
15 related schemes. Defendant's unlicensed money transmitting business
16 converted virtually all of the victim proceeds to the cryptocurrency
17 Tether (or USDT) for a commission. After converting the proceeds,
18 the unlicensed money transmitting business facilitated the transfer
19 of the USDT to a cryptocurrency wallet controlled by individuals in
20 Cambodia.

21 ***Defendant Sets Up Axis Digital and Opens Account at Deltec Bank***

22 Defendant conspired to operate Axis Digital Limited ("Axis
23 Digital"), an entity that Jose Somarriba incorporated under the laws
24 of the Commonwealth of the Bahamas on or about November 30, 2021.
25 Using the Axis Digital business entity, defendant and Jose Somarriba
26 opened a bank account ("Bahamas Account #1") with the Bahamian
27 financial institution Deltec Bank. Before opening Bahamas Account
28 #1, defendant and Jose Somarriba traveled to the Bahamas to meet with

1 Deltec Bank employees and discussed a money transmitting business
2 whereby defendant and his co-conspirators would convert U.S. dollars
3 into USDT for a commission.

4 Defendant worked with Jose Somarriba to set up the Axis Digital
5 business entity in the Bahamas and met with Deltec Bank employees on
6 multiple occasions to facilitate the creation of Bahamas Account #1.

7 ***Defendant Facilitated the Transfer of Funds Required to Open Bahamas***
8 ***Account #1***

9 After setting up the Axis Digital business entity and Bahamas
10 Account #1, defendant, Jose Somarriba, Jingliang Su, Daren Li, and
11 others conspired to transfer roughly \$1 million to Jose Somarriba's
12 cryptocurrency account to demonstrate a proof of funds to Deltec
13 Bank. The proof of funds was required for Deltec Bank to allow wire
14 transfers into Bahamas Account #1 from other financial institutions.

15 On or around June 8, 2022, defendant introduced Jose Somarriba,
16 Jingliang Su, and Daren Li to each other on an encrypted messaging
17 platform and participated in discussions about the transfer of
18 roughly \$1 million in cryptocurrency to Jose Somarriba. Defendant
19 also participated in discussions about Jose Somarriba returning the
20 roughly \$1 million in cryptocurrency to the co-conspirators after
21 sending a proof of funds to Deltec Bank. Jose Somarriba in fact
22 received the \$1 million from co-conspirators and sent a proof of
23 funds to Deltec Bank, which enabled Axis Digital to begin receiving
24 wires from other financial institutions.

Defendant Traveled to Cambodia to Discuss the Transfers of Cryptocurrency to Individuals Involved in Scam Centers

In July 2022, after opening Bahamas Account #1, but before funds transferred into Bahamas Account #1 from victims in the United States, defendant, Jose Somarriba, and Jingliang Su traveled to Phnom Penh, Cambodia, to meet with Daren Li and other co-conspirators based in Cambodia and elsewhere. During the trip to Cambodia, defendant discussed with several co-conspirators the transfer of money from U.S. bank accounts to Bahamas Account #1, and the subsequent conversion of those funds to USDT for a commission. Defendant and several co-conspirators also discussed the transfer of USDT from Bahamas Account #1 to a cryptocurrency wallet that co-conspirators in Cambodia controlled.

During the July 2022 trip to Cambodia, defendant and co-conspirators traveled within the greater Phnom Penh region to at least one compound wherein co-conspirators conducted cryptocurrency investment scams, also known as "pig butchering scams." Defendant later came to understand that the funds flowing from U.S. financial institutions to the Axis Digital bank account in the Bahamas included money from victims of these cryptocurrency scams.

Axis Digital Limited Received More Than \$36 Million From U.S. Bank Accounts Opened in the Names of U.S. Shell Companies

Between June 2022 and July 2023, the Axis Digital bank account received at least approximately \$36,905,259 from U.S. bank accounts set up in the names of U.S. shell companies. Each of the shell companies received these funds from U.S. victims of cryptocurrency

1 investment scams or related schemes. This includes the following
2 shell entities:

3 a. B&C Commerce LLC, a shell company registered with the
4 California Secretary of State on or about January 21, 2022, with a
5 principal address in San Gabriel, California;

6 b. Jimei Trading Inc., a shell company registered with
7 the California Secretary of State on or about May 15, 2022, with a
8 principal address in San Gabriel, California;

9 c. YXJ Trading Corporation, a shell company registered
10 with the California Secretary of State on or about July 30, 2022,
11 with a principal address in Monterey Park, California;

12 d. YYJ Consulting Corporation, a shell company registered
13 with the California Secretary of State on or about August 25, 2022,
14 with a principal address in Monterey Park, California;

15 e. Sea Dragon Trading, LLC, a shell company registered
16 with the California Secretary of State on or about September 8, 2022,
17 with a principal address in Alhambra, California;

18 f. SMX Beauty Inc., a shell company registered with the
19 California Secretary of State on or about October 13, 2022, with a
20 principal address in Monterey Park, California;

21 g. SMX Travel Inc., a shell company registered with the
22 California Secretary of State on or about October 13, 2022, with a
23 principal address in Monterey Park, California; and

24 h. Sea Dragon Remodel, Inc., a shell company registered
25 with the California Secretary of State on or about October 17, 2022,
26 with a principal address in Vernon, California.

1 Defendant and his co-conspirators created so-called digital
2 transaction agreements and "Know Your Customer" or "KYC" forms
3 associated with the U.S. shell companies, including those listed in
4 Paragraph 8, detailing the conversion of millions of dollars to USDT.
5 The agreements each listed Axis Digital as the business entity
6 conducting the conversion of funds. The agreements each listed the
7 same cryptocurrency address beginning with TRteo (the "TRteo
8 Address") as the receiving wallet. Defendant came to understand that
9 the KYC forms for the shell companies and related wire transfers did
10 not reflect legitimate business transfers.

11 ***Defendant Directed the Transfer of Funds to a Cryptocurrency Wallet***
12 ***Controlled by Co-Conspirators in Cambodia***

13 When the U.S. bank accounts set up in the names of shell
14 companies transferred victim funds to Bahamas Account #1, defendant
15 and his co-conspirators directed Deltec Bank employees to convert the
16 funds into USDT and to transfer the funds to the TRteo Address.
17 Defendant directly messaged with Deltec Bank employees to coordinate
18 these conversions and money transfers. Defendant and his co-
19 conspirators converted all of the funds in Bahamas Account #1 - more
20 than \$36 million - to USDT. Defendant and his co-conspirators then
21 directed the transfer of all of the funds to the TRteo Address.

22 Defendant earned a commission on wire transfers into Bahamas
23 Account #1 or the subsequent transfer of USDT to the TRteo Address.
24 Defendant received ledgers from co-conspirators detailing the
25 commissions he earned on wire transfers.

26 Defendant agrees that Axis Digital laundered at least \$36,905,259
27 in funds from U.S. shell companies.

***Defendant Did Not Comply With Money Transmitting Business Regulations
and Knew the Source of Funds Derived from a Criminal Offense***

Defendant knowingly conducted, controlled, managed, supervised, directed, or owned all or part of the Axis Digital money transmitting business, which affected interstate and foreign commerce. The Axis Digital business was unlicensed in that it failed to comply with the money transmitting business regulation requirements under 31 U.S.C. § 5330 and the regulations promulgated under that section. Defendant also came to understand that at least a portion of the funds flowing into Bahamas Account #1 were derived from a criminal offense or were otherwise intended to be used to promote or support unlawful activity.

Defendant Received Victim Funds in a Bank of America Account

In addition to Bahamas Account #1, defendant came to understand that he received U.S. victim funds directly into a Bank of America account he controlled ("BofA Account"). Defendant opened the BofA Account in the name of the company Crestview Services. Defendant received at least one wire directly from a U.S. shell company laundering victim proceeds into the BofA Account.

Defendant learned that based on the government's investigation, Victim J.S. filed a complaint with the government stating that they fell victim to a "pig butchering" scheme and was scammed into sending what they believed were funds for investment. J.S. was instructed to send the funds to a JPMC account belonging to an entity called Haoyu 198 Trading. Bank records show that J.S. sent a wire for \$176,440 to that JPMC account on November 15, 2022. The following day, on November

16, 2022, the JPMC account for Haoyu 198 Trading sent \$150,000 to the BofA Account controlled by defendant.

IV. THE USPPPO'S CALCULATIONS

A. The Government Concurs with the USPPPO's Criminal History Calculations and the Guidelines Offense Level.

The USPPPO determined that defendant has zero criminal history points. (PSR ¶ 96.) Defendant thus falls within Criminal History Category I. (Id.) The government concurs with this calculation.

The PSR also calculated, based on the above facts, a total offense level of 29. (PSR ¶ 132.) The government concurs with the base offense level of 8 calculated by the PSR. (PSR ¶ 57.) The PSR's total offense level calculation is as follows:

Base Offense Level:	8	U.S.S.G. §2S1.1(a)(2)
Loss Amount More Than \$25,000,000:	+22	U.S.S.G. § 2B1.1(b)(1)(L)
Business of Laundering	+4	U.S.S.G. § 2S1.1(b)(2)(C)
Acceptance of Responsibility:	-3	U.S.S.G. § 3E1.1(a)-(b)
Zero Point Offender:	-2	U.S.S.G. § 4C1.1

TOTAL: 29

Based on that calculation, the USPPPO recognized that a total offense level of 29 and a Criminal History Category of I yield an advisory Guidelines range of 87 to 108 months' imprisonment, though the statutory maximum sentence is 60 months. (PSR ¶ 132.)

B. The Government Concurs with the PSR's Calculations.

The loss amount in these cases is devastating. Financial tracing shows that Bahamas Account #1 received more than \$36 million in funds from U.S. shell companies funneling victim proceeds that were then converted to the cryptocurrency USDT and transferred to a virtual wallet controlled by co-conspirators overseas including in Cambodia. As detailed in the Victim Impact Statements, dozens of U.S. citizens lost substantial sums of money in the scams--in some instances, their entire life savings. Because the victim funds were wired overseas, converted to cryptocurrency and further dispersed to dozens of unhosted virtual wallets, the government was not able to freeze, seize, or recover any of the direct victim proceeds.⁴ Due to the money-laundering network, the victims' savings and supposed "investments" are gone.

C. The Government Requests a 5-Level Departure.

The government has filed a contemporaneous document requesting a five-level departure.

* * *

Accordingly, the government believes the total offense level calculation for defendant is as follows:

Base Offense Level:	8	U.S.S.G. §2S1.1(a)(2)
Loss Amount More than \$25,000,000:	+20	U.S.S.G. § 2B1.1(b)(1)(L)
Business of Laundering	+4	U.S.S.G. § 2S1.1(b)(2)(C)
Acceptance of Responsibility:	-3	U.S.S.G. § 3E1.1(a)-(b)

⁴ The government continues to pursue alternative ways to recover funds for victims of these cases.

Zero Point Offender:	-2	U.S.S.G. § 4C1.1
Departure	-5	Contemporaneous Filing

TOTAL: 24

Based on a Criminal History Category of I, the advisory Guidelines range is 51 to 63 months' imprisonment. The government's recommended sentence is at the low-end of this advisory Guidelines range: 51 months' incarceration.

D. Joint and Several Restitution Obligation

The government submits that defendant SHENGSHENG HE should be held jointly and severally liable with the below-listed convicted co-participants (which list includes the defendant) in the offense conduct for the amount of restitution ordered in this judgement:

- Lu Zhang (Case No. 23-CR-596-RGK-1)
- Joseph Wong (Case No. 23-CR-596-RGK-2)
- Justin Walker (Case No. 23-CR-596-RGK-3)
- Daren Li (Case No. 24-CR-311-RGK-1)
- Yicheng Zhang (Case No. 24-CR-311-RGK-2)
- Jose Somarriba (Case No. 25-CR-181-RGK)
- Jingliang Su (Case No. 25-CR-362-RGK)

The victims' recovery remains limited to the amount of their loss and the defendant's liability for restitution ceases if and when the victims receive full restitution as to the defendant, or when the victims are made whole, whichever is earlier.

The government attaches hereto as Exhibit 1 to the Declaration of Special Agent John Jasek an anonymized list of victims with their respective loss amounts. The total restitution owed is

1 **\$26,867,242.44.** The victims listed in this document are individuals
2 who sent funds to shell companies that transferred funds to Bahamas
3 Account #1, and who self-reported their losses to the government.
4 The amount listed is the amount the government can attribute to the
5 shell company bank accounts based on the self-reporting
6 documentation. Because victims were often re-victimized and/or told
7 to send their funds to different money-laundering networks, the loss
8 amount for each victim may exceed the amount attributable to this
9 domestic money-laundering cell.

10 **V. VICTIM IMPACT STATEMENTS**

11 The government has submitted contemporaneously with this filing
12 a sealed document attaching victim impact statements.

13 **VI. THE GOVERNMENT RECOMMENDS 51 MONTHS' INCARCERATION**

14 The government recommends that the defendant be sentenced to a
15 Guidelines term of 51 months' imprisonment, a three-year period of
16 supervised release, a \$100 special assessment, and restitution of
17 \$26,867,242.44. Such a sentence is sufficient, but not greater than
18 necessary, to achieve the purposes set forth in 18 U.S.C. § 3553(a).

19 **A. Need to Afford Adequate Deterrence**

20 Economic crimes like the charged money laundering scheme are
21 quintessentially deterrable. "Because economic and fraud-based
22 crimes are 'more rational, cool, and calculated than sudden crimes of
23 passion or opportunity,' these crimes are 'prime candidate[s] for
24 general deterrence.'" See United States v. Martin, 455 F.3d 1227,
25 1240 (11th Cir. 2006) (quoting Stephanos Bibas, White-Collar Plea
26 Bargaining and Sentencing After Booker, 47 Wm. & Mary L. Rev. 721,
27 724 (2005)). In fact, Congress, in drafting section 3553, confirmed
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1 that this common-sense principle was one of the driving forces for
2 including deterrence among the goals of sentencing. See S. Rep. No.
3 98-255, at 76 (1983), reprinted in 1984 U.S.C.C.A.N. 3182, 3259 ("To
4 deter others from committing the offense . . . is particularly
5 important in the area of white collar crime."). Indeed, Congress was
6 expressly concerned with the fact that "[m]ajor white collar
7 criminals often are sentenced to . . . little or no imprisonment,"
8 which the offenders disregard as "a cost of doing business." Id. As
9 Judge Bea has written, "bank fraud, unlike an assault in a tavern or
10 even domestic abuse, tends to be a planned, deliberate crime, which
11 allows plenty of time for reflection, calculation of the odds of
12 success or failure, and the ultimate decision." United States v.
13 Edwards, 595 F.3d 1004, 1021 (9th Cir. 2010) (Bea, J., concurring).

14 Conspiracies like the one involved in this case are the lifeline
15 for international cryptocurrency investment frauds. The funds
16 transferred overseas and converted to cryptocurrency give criminal
17 syndicates the means to traffic humans and run scam compounds.
18 Individuals who recklessly set up international bank accounts and
19 convert tens of millions of dollars must be deterred from operating
20 money transmitting businesses that funnel victim proceeds overseas.
21 Defendant's conduct was reckless at best. After personally traveling
22 to Cambodia to meet with the recipients of the funds and visit a scam
23 compound, defendant's company and Bahamian bank account received
24 millions of dollars from U.S. shell companies. Defendant and his co-
25 conspirators converted virtually all of the proceeds to Tether and
26 directed the transfer of those funds to the cryptocurrency address
27 controlled by persons defendant met in Cambodia, without regard for
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1 the sources of funds. The Court should deter this reckless approach
2 to conspiring to operate money services businesses.

3 **B. Seriousness of the Offense**

4 This is a case in which the sentencing guidelines appropriately
5 identify the factors that make defendant's conduct so serious: the
6 millions of dollars in loss to numerous victims throughout the United
7 States and the business of laundering funds. Together, these factors
8 speak to a sophisticated scheme that devastated the lives of many
9 U.S. citizens. The effectiveness of the crime also prevented the
10 government from freezing, seizing, or recovering any of the direct
11 victim proceeds. The funds were dissipated across unhosted virtual
12 wallets controlled by individuals overseas, primarily in Southeast
13 Asia.

14 **C. Need to Avoid Unwarranted Disparities**

15 Section 3553(a)(6) requires the Court to minimize sentencing
16 disparities among similarly situated defendants. One way of doing so
17 is to correctly calculate the Guidelines range and then sentence
18 defendants within that range. See United States v. Treadwell, 593
19 F.3d 990, 1011 (9th Cir. 2010) ("Because the Guidelines range was
20 correctly calculated, the district court was entitled to rely on the
21 Guidelines range in determining that there was no 'unwarranted
22 disparity'"); Gall v. United States, 552 U.S. 38, 54 (2007)
23 ("[A]voidance of unwarranted disparities was clearly considered by
24 the Sentencing Commission when setting the Guidelines ranges."). The
25 government's within-Guidelines recommended sentence avoids an
26 unwarranted disparity with similarly situated defendants.

VII. CONCLUSION

For the foregoing reasons, the government recommends that the Court sentence defendant to 51 months' imprisonment, three years' supervised release, a \$100 special assessment, and restitution of \$26,867,242.44.


DECLARATION OF GEORGE JASEK

1
2 1. I am a Special Agent ("SA") with the United States Secret
3 Service and have been so employed since March 2018. I am currently
4 assigned to the Criminal Investigative Division in Washington,
5 District of Columbia. I have knowledge of the facts set forth herein
6 and could and would testify to those facts fully and truthfully if
7 called and sworn as a witness.

8 2. Attached hereto as **Exhibit 1** is a list of U.S. victims who
9 sent funds to shell companies that transferred their funds to Bahamas
10 Account #1. The amount of the loss is based on a government analysis
11 of self-reporting documentation and shell company records.

12 3. I declare under penalty of perjury under the laws of the
13 United States of America that the foregoing is true and correct.

14 DATED: August 25, 2025.
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GEORGE JASEK

DECLARATION OF AUSA MAXWELL COLL

I, Maxwell Coll, hereby declare and state:

1. I am an Assistant United States Attorney with the Cyber and Intellectual Property Crimes Section at the U.S. Attorney's Office for the Central District of California. I am one of the prosecutors assigned to this case.

2. This declaration is made in support of the government's sentencing position for defendant Shengsheng He.

3. Attached hereto as **Exhibit 2** is a true and correct copy of a compilation of relevant victim impact statements provided to the United States Attorney's Office as of the date of this filing.

4. I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

DATED: August 25, 2025.



MAXWELL COLL

PROOF OF SERVICE

I, Cynthia Avila-Sandoval, declare:

That I am a citizen of the United States and a resident of or employed in Los Angeles County, California; that my business address is the Office of United States Attorney, 312 North Spring Street, Los Angeles, California 90012; that I am over the age of 18; and that I am not a party to the above-titled action; that I am employed by the United States Attorney for the Central District of California, who is a member of the Bar of the United States District Court for the Central District of California, at whose direction the service by email described in this Proof of Service was made; that on August 25 2025, I emailed a copy of the **Sentencing Memorandum**

- | | |
|--|---|
| <input type="checkbox"/> Placed in a closed envelope for collection and inter-office delivery, addressed as follows: | <input type="checkbox"/> Placed in a sealed envelope for collection and mailing via United States mail, addressed as follows: |
| <input type="checkbox"/> By hand delivery, addressed as follows: | <input checked="" type="checkbox"/> By Via Email, as follows: |
| <input type="checkbox"/> By messenger, as follows: | <input type="checkbox"/> By Federal Express, as follows: |

Robert C. Hsu
robert@lexintl.com

at his last known email addresses.

This Certificate is executed on August 25, 2025, at Los Angeles, California. I certify under penalty of perjury that the foregoing is true and correct.

/s/

Cynthia Avila-Sandoval
Legal Assistant